



October 21, 2010

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Ms. Johnson:

I am writing on behalf of the recent Federal Reserve Board proposed changes to Regulation Z concerning additional disclosures for Credit Insurance Sales. Specifically this concerns Regulation Z – Truth in Lending Act (R-1390).

I have been with Capital City Bank for twenty-five years. Almost all of this time has been spent in Retail Lending. I'm currently Senior Vice President in charge of our Retail Credit Division. Prior to joining Capital City Bank I spent seven years as a National Bank Examiner with the Office of the Comptroller of the Currency.

There are numerous disclosures currently required in order for a client to obtain Credit Insurance. The Truth-in-Lending (TIL) disclosure clearly states that credit insurance is not required to obtain credit and will not be provided unless the client agrees to the cost with their signature. The cost of credit life and disability is broken out separately on this disclosure with the client's signature required underneath indicating acceptance of the credit insurance. The total cost of credit insurance is shown as a separate line item in the Itemization of the Amount Financed. The client signs the TIL disclosure indicating that they have received a copy. In the State of Florida the client is required to sign a separate insurance disclosure in three places. This disclosure indicates again that credit insurance is not required to obtain the loan, the client has the option of assigning other policies to this loan and that benefits terminate when the client reaches the maximum age under the policy. A Federal Sale of Insurance Disclosure is then required indicating the type of credit insurance product being purchased and that the product is not a deposit product and not insured by the FDIC or other federal government agency. Finally, there is an Insurance Company Certificate requiring the client signature that, again, clearly discloses the cost of the insurance, the term of coverage and the fact that this insurance may not be enough to completely pay off your loan. A copy of the Insurance Certificate is provided to the client at loan closing. The client's signature is required eight times to complete these credit insurance documents.

Proposed disclosure statements such as 1) "If you already have enough insurance or savings to pay off this loan if you die, you may not need this product", 2) "Other types of insurance can give you similar benefits and are often less expensive" and 3) "You may not receive any benefits if you buy this product" discourage banking clients from purchasing credit insurance products. They will also require more

disclosures and signatures than those mentioned above from our clients further discouraging sales.

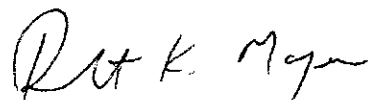
Credit insurance products provide a valuable service to both consumer and small business banking clients who are often underinsured. These products are priced as group policies based upon the rates established by each State Department of Insurance. They do not require medical examinations or base rates upon personal habits which are often required by life or disability insurance policies. A simple Statement of Physical Condition is the only underwriting requirement. In my years of banking, I've seen many situations where credit insurance protected a family's home, other assets or credit rating in the event of a death or disability. A recent Wall Street Journal article indicated that nearly a third of U.S. households had no life insurance coverage, the highest percentage in nearly four decades. These new regulations will further hamper these statistics and leave more families unprotected.

Credit insurance and related products provide a valuable source of fee income for U.S. financial institutions. They also provide credit protection for bank loan portfolios by decreasing the level of charged off loans. Discouraging credit insurance sales will further decrease bank profitability, impair capital and place more pressure on the FDIC insurance fund.

I took the opportunity to review the Summary of Findings prepared by ICF Macro that served as a basis for this proposed regulation. The Executive Summary contained information that thirty-nine participants were interviewed and asked about model disclosures. The Summary of Key Findings indicated that only two of these participants were able to explain the term annual percentage rate (APR).

In summary, we respectfully request that this proposed regulation be withdrawn. This Regulation is not in the best interest of the U.S. Banking Industry or its clients. We appreciate the opportunity to voice our concern.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert K. Mayer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Robert K. Mayer
Senior Vice President
Capital City Bank